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Note by the Secretary-General

The Secretary-General has the honour to transmit to the General Assembly a letter dated 27 June 2003 (see annex) from the Chairman of the Board of Auditors transmitting the report of the Board on implementation of its recommendations relating to the biennium 2000-2001, submitted in accordance with General Assembly resolution 52/212 B of 31 March 1998.

* A/58/50/Rev.1 and Corr.1.

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Annex

Letter dated 27 June 2003 from the Chairman of the Board of Auditors to the Secretary-General

I have the honour to transmit to you the report of the Board of Auditors on implementation of its recommendations relating to the biennium 2000-2001, in accordance with paragraph 5 of General Assembly resolution 52/212 B of 31 March 1998 (see appendix).

(*Signed*) François **Logerot**
First President of the Court of Accounts of France
and Chairman
United Nations Board of Auditors

Appendix

Report of the Board of Auditors on the implementation of its recommendations relating to the biennium 2000-2001

Contents

		Paragraphs	Page
I.	Introduction	1–5	5
II.	Presentation of the reports on implementation	6–8	6
III.	General comments by the Board of Auditors	9–12	6
IV.	Status of implementation of the recommendations of the Board of Auditors	13–30	7
	A. United Nations	15	7
	B. Report of the Board of Auditors on the expanded examination of the practices and procedures with regard to the handling of arbitration/claims cases by the United Nations Administration	16	16
	C. International Trade Centre UNCTAD/WTO	17	17
	D. United Nations University	18	17
	E. United Nations Development Programme	19	18
	F. United Nations Children's Fund	20	22
	G. United Nations Relief and Works Agency for Palestine Refugees in the Near East	21	26
	H. United Nations Institute for Training and Research	22	30
	I. United Nations Environment Programme	23	31
	J. United Nations Population Fund	24	31
	K. United Nations Human Settlements Programme (UN-Habitat)	25	35
	L. United Nations Office on Drugs and Crime	26	36
	M. United Nations Office for Project Services	27	38
	N. International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994	28	40
	O. International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia	29	42
	P. United Nations Joint Staff Pension Fund	30	44
V.	Acknowledgement	31	47
Annexes			
I.	Status of implementation of the recommendations of the Board of Auditors for the biennium 2000-2001		49
II.	Comparative analysis of rates of implementation of the recommendations of the Board of Auditors for the biennium 1998-1999 and the biennium 2000-2001		50

I. Introduction

1. In its resolution 52/212 B of 31 March 1998, the General Assembly accepted the recommendations of the Board of Auditors for improving implementation of the recommendations approved by the Assembly, subject to the provisions contained in the resolution as noted in paragraph 2 below. The proposals of the Board, which were transmitted to the General Assembly in a note by the Secretary-General of 26 December 1997 (A/52/753), included the following elements:

(a) The need for specification of timetables for implementation of recommendations;

(b) Disclosure of office holders to be held accountable;

(c) Establishment of an effective mechanism to strengthen oversight in regard to the implementation of audit recommendations. Such a mechanism could be either in the form of a special committee comprising senior officials or through a focal point for audit and oversight matters.

2. In resolution 52/212 B, the General Assembly emphasized that primary managerial responsibility and accountability for the implementation of the recommendations of the Board of Auditors should remain with department heads and programme managers. The Assembly further endorsed the proposals of the Board of Auditors that the format of progress reports on implementation of recommendations should be improved to disclose the title or position of individual officers to be held accountable for implementation of the Board's recommendations (at the level of department head or programme manager, as appropriate) and explanations if recommendations are not implemented in full and on time.

3. The present summary report, updated as of 25 June 2003, which relates to recommendations made in the biennium 2000-2001, covers 15 organizations on which the Board reports on a biennial basis and includes comments by the Board based on the two reports of the Secretary-General on the implementation of recommendations by the United Nations (A/58/97) and its funds and programmes (A/58/97/Add.1). Those activities for which reports of the Board of Auditors are already submitted annually are not included in the present summary report and are reported on, as before, in an annex to the respective reports of the Board of Auditors to the General Assembly (United Nations peacekeeping operations and the voluntary funds administered by the Office of the United Nations High Commissioner for Refugees). The present summary report addresses those recommendations that are under implementation, those that were not implemented, and those that have been overtaken by events and therefore cannot be implemented.

4. Recommendations that have been implemented are not mentioned, but are accounted for in annexes I and II to the present report.

5. The report also includes comments of the Board on the implementation of recommendations by the United Nations Joint Staff Pension Fund, based on the information that the Fund provided directly to the Board, and on the implementation of recommendations by the Office of Legal Affairs on a March 2001 Board report on the handling of arbitration and claims.

II. Presentation of the reports on implementation

6. The Board notes that the text of the recommendations on a previous biennium and the gist of the comments on their implementation are at present repeated among the two reports pertaining to the United Nations and the funds and programmes, from the Administration, and the present report. The above information could be accessed through a single document, instead of three, and savings would be achieved by the United Nations Secretariat.

7. **The Board recommends, and the Administration agree to consolidate the reports of the Secretary-General on its recommendations on the accounts on the United Nations and on the funds and programmes in a single report to be submitted by the Board, which would present:**

(a) **The text of a recommendation;**

(b) **The full comments by the Administration, provided these would be kept within a reasonable length;**

(c) **The comments by the Board.**

8. Should the General Assembly accept this recommendation, the Board would examine with the Administration the modalities of merging the three reports in time for the next report, to be submitted to the General Assembly at its sixtieth session.

III. General comments by the Board of Auditors

9. The Board examined the extent to which organizations had complied with the provisions of resolution 52/212 B of 31 March 1998 relating to the elements listed in paragraph 1 above as set out below.

1. The need for specification of timetables for implementation of recommendations

10. The Board had recommended in its previous report (A/56/132) that the United Nations Joint Staff Pension Fund comply with the requirement to include timetables for the implementation of the Board's recommendations. The Pension Fund has complied with the recommendation. The Board is pleased to note that all organizations have included timetables for the implementation of the recommendations.

2. Disclosure of office holders to be held accountable

11. The Board had also recommended in the same report that the International Tribunal for Rwanda comply with the requirements to identify office holders responsible for implementing recommendations. The Tribunal has complied with the recommendation. The Board is pleased to note that all organizations have identified office holders responsible for the implementation of the recommendations.

3. Establishment of an effective mechanism to strengthen oversight

12. In general, the organizations have continued to operate effective mechanisms to strengthen oversight in regard to the implementation of audit recommendations, through special committees or by including in the terms of reference of existing committees, a requirement to monitor the implementation of the recommendations of the Board of Auditors.

IV. Status of implementation of the recommendations of the Board of Auditors

13. The number of recommendations has more than doubled over the past three bienniums, from 156 on the biennium 1996-1997 and 208 on the biennium 1998-1999 to 337 on the biennium 2000-2001. This may largely explain why, of these 337 recommendations made in respect of the 15 organizations covered in the present report, only 117 recommendations (35 per cent) had been fully implemented by June 2003, while 195 (58 per cent) were under implementation, and 24 (7 per cent) had not been implemented at all. The remaining 3 recommendations (1 per cent) were overtaken by events. The position regarding the individual organizations is set out in annex I to the present report. The position compared with the previous bienniums 1996-1997 and 1998-1999 is shown in the table below.

	1996-1997		*1998-1999*		*2000-2001*	
	Number	*Per cent*	*Number*	*Per cent*	*Number*	*Per cent*
Implemented	48	30	130	62	115	34
Under implementation	100	64	72	35	195	58
Not implemented	4	3	1	1	22	7
Overtaken by events	4	3	5	2	3	1
Total	**156**	**100**	**208**	**100**	**335**	**100**

14. The Board encourages those organizations that have shown a decreased level of implementation to increase their efforts to ensure timely implementation of recommendations.

A. United Nations[1]

Recommendations under implementation

15. The Board notes that action is ongoing by the United Nations in respect of the following recommendations. The Board has included comments, where appropriate, and will keep the matter under review.

(a) **Recommendation in paragraphs 13 (b) and 35** that the Office of Programme Planning, Budget and Accounts review trust funds whose purposes have long been attained in order to close those that are inactive and no longer required.

Comment. The Administration has assigned one staff member to analyse the United Nations trust funds and recommend appropriate disposition action. The closing of trust funds is in progress.

(b) **Recommendation in paragraph 57** that the Compensation Commission establish and implement an archiving policy.

Comment. The Compensation Commission is close to completing the implementation of the recommendation, regarding its records retention and disposal policy.

(c) **Recommendation in paragraph 61** that the United Nations Compensation Commission establish a policy requesting Governments and other paying agents to provide audit certificates for payment reports submitted to the Fund and implement it without delay.

Comment. The Compensation Commission Governing Council agreed in principle in December 2002 and discussed the modalities at its forty-seventh session held in March 2003, without a final decision, which was to be considered at a June 2003 session.

(d) **Recommendation in paragraphs 13 (c) and 71** that the United Nations Compensation Commission: (a) undertake jointly with the Office of Internal Oversight Services a risk assessment of its operations in order to determine major risk areas in the processing of claims and payments; (b) recognize and meet internal audit staff requirements accordingly; and (c) consider the establishment of an audit committee.

Comment. By May 2003, the Office of Internal Oversight Services and the Compensation Commission were still discussing the modalities of a joint risk assessment.

(e) **Recommendation in paragraphs 13 (d) and 75** that the Compensation Commission: (a) not restrict the Office of Internal Oversight Services from reviewing the admissibility, relevance, materiality and weight of the evidence supporting the claims and awarding decisions, including the evidentiary standards applied by the Commission and the commissioners for verification and valuation of losses, and the payments; and (b) agree without further delay with the Office of Internal Oversight Services on the terms and scope of audit of the awards and payments, including access to all documentation supporting them.

Comment. This matter is expected to be resolved. As at June 2003, the Office of Internal Oversight Services and the Compensation Commission were finalizing a draft memorandum of understanding. However, there was still only one post of internal auditor for the Compensation Commission, and it has been vacant since the end of April 2003.

(f) **Recommendation in paragraphs 13 (f) and 110** that the Administration develop short- and medium-term information technology plans for the Integrated Management Information System (IMIS) that establish the work to be done, the task priorities and the resource allocation policy, and provide information on development and maintenance costing and detailed time frames.

Comment. The Administration informed the Board that the strategic plan for IMIS for the period 2002-2005 was completed in November 2002, and reflects the overall ICT strategy presented to the General Assembly (A/57/620). The Board will follow up on the formal approval of the strategic plan.

(g) **Recommendation in paragraphs 13 (g) and 113** that the Administration develop and implement a structured, Organization-wide risk-assessment process covering all information and communication technology environments that, inter alia: (a) clearly defines roles and responsibilities for risk management and accountability; (b) establishes a policy defining risk reporting, limits and tolerance.

Comment. The Administration informed the Board that in November 2002 it had appointed an ICT Security Coordinator, and formed an ICT Security Unit. An in-house risk-assessment capability is being established to service the Organization.

(h) **Recommendation in paragraphs 13 (h) and 118** that the Administration document its procedures for updating and maintaining IMIS manuals when updates are implemented; establish a programme change authorization guideline that would provide for a rapid and efficient planning, approval and initiation process; and ensure that persons responsible for approving programme change are identified and designated.

Comment. The Administration informed the Board that the documentation of the procedures would be completed by June 2003.

(i) **Recommendation in paragraphs 13 (i) and 122** that the Administration implement performance- and capacity-monitoring procedures and develop a comprehensive IMIS disaster recovery plan.

Comment. The Administration informed the Board that it has partially implemented a disaster recovery plan using remote mirroring to a second data centre; and has in the request-for-proposal stage a project to implement an "automated disaster tolerant solution for IMIS availability". The project is expected to be implemented in the fourth quarter of 2003.

(j) **Recommendation in paragraphs 13 (j) and 133** that the Administration introduce controls to ensure that no modifications of receipt details are allowed once IMIS has generated and/or printed the receipt documents.

Comment. The Administration informed the Board that systems requirements have been defined and implementation will be completed in the second quarter of 2003.

(k) **Recommendation in paragraphs 13 (k) and 138** that the Administration include validation controls and procedures in the IMIS cheque-printing system to ensure that the system does not generate a cheque for approved disbursements for which a cheque has already been issued manually.

Comment. The Administration informed the Board that the requirements for the controls have been defined and implementation will be completed in the second quarter of 2003.

(l) **Recommendation in paragraph 144** that the Administration include the enhancement of the budget information system interface programme in the new budget information system to accommodate the requirement of posting budget data to the ensuing year and to eliminate the performance of incompatible functions, such as developers participating in database production operations.

Comment. The Administration informed the Board that the enhancement of the interface programme should be available simultaneously when the new budget information system is implemented during the third quarter of 2003.

(m) **Recommendation in paragraph 149** that the Administration consider the cost-effectiveness of adding a control mechanism to block the entry of a General Service to Professional category promotion if the data indicating that the staff member has passed the examination has not been validated.

(n) **Recommendation in paragraph 151** that the Administration extend full control over duplicates to all key data entries instead of limiting it to the initial entry.

(o) **Recommendation in paragraph 153** that the Administration consider the cost-effectiveness of implementing additional automated controls and reject implausible entries or post a warning in such cases.

Comment. The Administration provided the Board information that the Office of Human Resources Management has prepared a test problem report for resolution of the issues raised in these three recommendations, for review by the Office of Central Support Services/Office of Human Resources Management. An implementation plan based on the approved test problem report will be prepared and will be implemented in the second quarter of 2003.

(p) **Recommendation in paragraphs 13 (m) and 155** that the Administration review the distribution of functional packages to IMIS users in order to ensure the adequate segregation of incompatible functions and immediately discontinue the present practice of password-sharing in order to ensure the validity of the recorded transactions in IMIS.

Comment. The Administration informed the Board that progress has been made in cleaning up the allocation of functional packages to IMIS human resources users; and that the Office of Human Resources Management would issue a directive to discontinue the practice of password-sharing.

(q) **Recommendation in paragraph 160** that the Administration consider interfacing the operations processing control system and IMIS, with the interface project comprising a composite group of representatives from, among others, the Accounts Division, the Treasury and IMIS.

Comment. The Administration informed the Board that initial discussions have begun among project leaders from the Treasury and the Accounts Division who were designated to work with the IMIS team on the interface.

(r) **Recommendation in paragraph 173** that the Administration consider interfacing the Information Centres Service reporting system with the Integrated Monitoring and Documentation Information System (IMDIS); and that until a cost-effective interface is established, the Department of Public Information regularly generate consolidated data from its reporting system for 77 United Nations information centres and offices and input that information into IMDIS when preparing the programme performance report at the end of the biennium and that it review the consolidated data after conversion to IMDIS to ensure the accuracy and completeness of reported programme outputs.

Comment. The Administration informed the Board that the Department of Public Information is coordinating with the other concerned offices, such as the Office of Internal Oversight Services and the Department of Economic and Social Affairs, for an in-depth review of the proposal to interface its internal database with IMDIS. The Department of Public Information expects the feasibility of the interface project to be determined by September 2003.

(s) **Recommendation in paragraphs 13 (n) and 178** that the Administration, in conjunction with all concerned United Nations entities, undertake a coordinated information and communication technology effort with respect to such components as technology management, security, continuity and disaster plans; and conduct a comprehensive review of IMIS users' expectations with a view to improving the overall cost-effectiveness of the expenditure in information and communication technology.

Comment. The Administration informed the Board that the overall direction of IMIS was confirmed by the Steering Committee in 2002, which includes the implementation of the technological upgrade of IMIS, inter alia, the migration to the web and the consolidation of databases, and the implementation in peacekeeping field offices. On the issue of IMIS users' expectations, the Administration further informed the Board that these are communicated via the Substantive Interest Groups, which have been meeting more regularly since mid-2002.

(t) **Recommendation in paragraphs 13 (o) and 183** that the Office of Internal Oversight Services strengthen its information technology and information systems audit capability through further staffing and training, following the approach recommended by the International Organization of Supreme Audit Institutions.

Comment. The Board confirms that a project team (under the Tripartite Meeting of oversight entities (Joint Inspection Unit, Board of Auditors and Office of Internal Oversight Services)) has been established to look into strategies for improving information technology audit capacity in the Organization.

(u) **Recommendation in paragraph 185** that the Office of Internal Oversight Services auditors: (a) properly document the review of internal controls; (b) organize the working papers with appropriate references and cross-references; and (c) retain the working papers for reference and evaluation purposes. The Board also recommended that the Office ensure that reviews by audit supervisors are indicated in the working paper files.

Comment. The Office of Internal Oversight Services informed the Board that it has introduced periodic peer reviews of working papers on selected assignments; and is currently undertaking an electronic working paper pilot project.

(v) **Recommendation in paragraph 189** that the Office of Internal Oversight Services document the basis and manner of computing savings.

Comment. The Office of Internal Oversight Services informed the Board that implementation of the recommendation is ongoing and that it has ensured that the basis and manner of computation of savings are in all cases documented in the working papers and reviewed by the responsible supervisors.

(w) **Recommendation in paragraphs 13 (p) and 203** that the United Nations Office at Geneva clarify its responsibilities vis-à-vis other United Nations entities by formally listing them and, accordingly, pursue its plan of drafting memorandums of understanding with each concerned organization in order to clarify the content and reimbursement of services and to better monitor them.

Comment. The listing has not been revised yet, but services provided have been spelled out in an increasing number of memorandums of understanding.

(x) **Recommendation in paragraph 205** that United Nations Headquarters consider reducing administrative costs and delays by delegating the administration of all Geneva general trust funds to the United Nations Office at Geneva.

Comment. An overall study is under way to improve management of trust funds, which implied streamlining of procedures for their administration. The Board's recommendation would be reviewed accordingly. The Controller has launched an overall study of trust funds management.

(y) **Recommendation in paragraph 208** that the United Nations Office at Geneva review the resource allocation for the Treasury functions and ensure the proper segregation of incompatible functions.

Comment. The United Nations Office at Geneva has informed the Board that it has reorganized responsibilities and is redeploying a post to that effect.

(z) **Recommendation in paragraph 212** that the United Nations Office at Geneva develop, in close coordination with Headquarters, suitable tools for cash management in IMIS, and that it frequently review malfunctions and anomalies.

Comment. The United Nations Office at Geneva Financial Resources Management Service and Information and Communication Technology Service were to focus on the enhancement of the Consolidated Treasury System concerning cash management functionality after July 2003.

(aa) **Recommendation in paragraph 221** that United Nations Headquarters and the United Nations Office at Vienna either reorganize the conference services under a single D-1 post to comply with the budget or submit an accurate staffing table for approval by the General Assembly.

Comment. The United Nations Office at Vienna indicated that, upon the retirement of the current Chief of the Translation and Editorial Service, the situation will be resolved effective 1 February 2004.

(bb) **Recommendation in paragraph 231** that the Office of the United Nations High Commissioner for Human Rights (OHCHR) draft a memorandum of understanding with the United Nations Office for Project Services (UNOPS) for those remaining operations entrusted to the latter.

Comment. A memorandum of understanding between OHCHR and UNOPS has been drafted and, mid-June 2003, was awaiting clearance from the appropriate departments of the United Nations Secretariat.

(cc) **Recommendation in paragraph 235** that the Office for Drug Control and Crime Prevention (ODCCP) and the United Nations Interregional Crime and Justice Research Institute (UNICRI) consult more closely in the planning of work programmes and that the Administration review the structure and authority of the Institute.

Comment. The Director of UNICRI was, by May 2003, waiting for guidance from United Nations Headquarters before implementing the recommendation.

(dd) **Recommendation in paragraph 240** that the International Civil Service Commission (ICSC) secretariat invoke the agreement accepted by the participating organizations under article 1.2 of the ICSC statute in order to obtain the necessary data on the implementation of ICSC decisions and recommendations.

Comment. The Administration informed the Board that the report on the implementation of ICSC decisions and recommendations by the participating organizations would be considered by the Commission at its fifty-seventh session in July 2003.

(ee) **Recommendation in paragraph 242** that the ICSC secretariat justify to the extent possible the adjustments of the ICSC agenda until it attains the regular biennial cycle for reporting comprehensive information on the implementation of ICSC decisions and recommendations. The agenda should correspond with the biennialization of the work programme of the Fifth Committee, which was the prime

consideration in modifying the annual reporting as required under article 17 of the statute.

Comment. The Administration informed the Board that the matter was to be considered at the Commission's spring session and reported upon subsequently to the General Assembly.

(ff) **Recommendation in paragraph 247** that the Office for the Coordination of Humanitarian Affairs (OCHA) resolve without further delay the issue of the Central Emergency Revolving Fund's advance still accounted for as receivable that the Office states was reimbursed in 1998, and further, noting that the two-year deadline had passed, that the Office obtain immediate reimbursement from the United Nations Development Programme.

Comment. OCHA is acting to resolve the issue.

(gg) **Recommendation in paragraph 250** that the Office for the Coordination of Humanitarian Affairs (a) review with the other United Nations agencies the procedural constraints that might limit the use of the Central Emergency Revolving Fund; and (b) in consultation with the Controller, put in place a procedure to make sure that funds are released on time. The Office agreed with the recommendation.

Comment. OCHA has undertaken a study and considers that, beyond exceptional cases due to circumstances, procedures have been working smoothly.

(hh) **Recommendation in paragraph 254** that the Office for the Coordination of Humanitarian Affairs review its human resources management policies and ensure compliance with United Nations regulations and rules.

Comment. The matter is under review by the Office of Human Resources Management, without conclusion so far.

(ii) **Recommendation in paragraphs 13 (r) and 269** to exert efforts to contain the declining trend in the funding of the International Research and Training Institute for the Advancement of Women (INSTRAW).

Comment. The General Assembly by its decision 57/580 of 20 December 2002 approved against the contingency fund a total amount of $500,000 to finance core activities of INSTRAW for the biennium 2002-2003 pending firm pledges and/or payments of voluntary contributions. The second $250,000 was released and appropriated by the General Assembly in June 2003.

(jj) **Recommendation in paragraph 275.** The Board reiterated its previous recommendations that: (a) the Economic Commission for Africa (ECA) furnish the reasons for the non-payment of rent by some organizations, as this was a loss of revenue, recover fully all costs incurred on behalf of tenants and establish valid agreements with all tenants; ... and (c) the Economic Commission for Latin America and the Caribbean (ECLAC) review the practice of pre-financing technical cooperation projects and ensure that it is not inconsistent with existing regulations and rules.

Comment. With reference to the recommendation related to the full recovery of all costs incurred on behalf of tenants, ECA continues to envisage difficulties in attempting to implement the recommendation for various reasons, the main reason being that some of the tenants have been providing vital services to the Commission and their presence on the compound was upon ECA's insistence. Therefore, it is not practical to demand retroactive payments at this stage. Memorandums of understanding were in the process of being finalized to cover future arrangements.

The Board noted after a March 2003 audit that the ECLAC Project Review Committee has established a working group to ensure strict compliance with regulations and rules. The Board's review indicated that there were still some activities pre-financed in 2002.

(kk) **Recommendation in paragraphs 13 (s) and 279** that the Department of General Assembly Affairs and Conference Services set specific standards or performance indicators to serve as guide in evaluating programme performance; and initiate and design a feedback monitoring mechanism to assess and formulate strategies for improving the quality of conference and meeting services provided.

Comment. The Board has verified in its March 2003 audit that the Department for General Assembly and Conference Management is embarking on a detailed study to develop or update existing workload standards and performance indicators. It is also in the process of preparing comprehensive surveys covering all aspects of the Department.

(ll) **Recommendation in paragraph 282** that the Administration fast-track the establishment of an integrated computerized system that would link the database of all the divisions, sections and units of the then Department of General Assembly Affairs and Conference Services.

Comment. The Board has verified that the issue of an integrated system is under consideration in the Departmental Information Technology Committee that deals with the full range of technology projects in the Department.

(mm) **Recommendation in paragraph 285** that the Administration anticipate and plan for the expansion to a higher-capacity database system so that the number of reports that may be generated is not limited to a small number, taking into consideration the cost of such expansion compared with the system currently used.

Comment. The Board has verified that the upgrading of its existing system is under way and that analysis of work-flow changes is in progress.

(nn) **Recommendation in paragraphs 13 (t) and 288** that services and substantive offices comply strictly with instructions on hiring, remunerating and evaluating the performance of consultants and individual contractors.

Comment. The Administration informed the Board that the Office of Human Resources Management will monitor closely compliance by departments and offices with requirements relating to consultants, including ad hoc in situ monitoring and monitoring through IMIS.

(oo) **Recommendation in paragraph 169** that the Administration review and enhance the capabilities of the Integrated Monitoring and Documentation Information System (IMDIS), such as an improved search engine, to make it an effective tool in monitoring and reporting programmes; and ensure that programme managers regularly update and review the information on their programme implementation in IMDIS.

Comment. The Administration informed the Board that there is continuous coordination between and among concerned departments to enhance the capacity of IMDIS as an effective monitoring and reporting tool.

(pp) **Recommendation in paragraph 196** that the United Nations Special Mission in Afghanistan (UNSMA) adopt the necessary policies and procedures regarding the use of UNSMA aircraft and services by other United Nations agencies, as well as non-UNSMA passengers, including the assessment and accounting of fees

and charges; and that UNSMA properly record in the books of accounts the aircraft utilization charges incurred by UNSMA for chartering aircraft of the Office for the Coordination of Humanitarian Affairs and other United Nations agencies.

Comment. The Board will review the implementation of these recommendations taking into consideration the end-of-mandate of UNSMA and the subsequent establishment of the United Nations Assistance Mission in Afghanistan (UNAMA) by virtue of Security Council resolution 1401 (2002).

(qq) **Recommendation in paragraph 200** that the Administration ensure that all issuances and handovers of equipment are properly inventoried, adequately documented and supported with vouchers to facilitate verification and to assign accountability; reconcile all differences in the physical count results, the shipment packing lists and the field assets control system; update the field assets control system with respect to any reconciling adjustment; and instruct missions to conduct a full-scale inventory and submit the required inventory report on a timely basis.

Comment. The Board noted that the missions are regularly updating the field assets control system and that they have taken appropriate steps to document the transfers of property.

Recommendations not implemeated

(rr) **Recommendation in paragraph 49.** The Board stated its view that, while there was no ground to question the adherence to the United Nations Staff Rules of the United Nations Compensation Commission officials involved, an unbalanced recruitment approach may, as compared with the standard United Nations membership-wide recruitment of key staff members and consultants, introduce the risk of regional cultural bias in the legal and financial approaches to compensation decisions.

Comment. The Board notes that the Compensation Commission disagrees and considers the recommendation as closed. Considering that, for 2002, one nationality still represented 66 per cent of the consultancy firms employed by the Compensation Commission, the Board reiterates its recommendation.

(ss) **Recommendation in paragraph 129** that the Administration enhance the applied deposits user session to ensure that all information entered by the Treasury in the session is made available as read-only data and that the Central Accounts Section be responsible only for the classification of the collection deposited during the session.

Comment. The Administration informed the Board that it is satisfied with the current functionalities in IMIS, given that the audit trail of action taken by the Office of Programme Planning, Budget and Accounts is generated in IMIS. The Board in its audit of the receipt transactions for the biennium 2002-2003 will verify the effectiveness of the alternative controls.

(tt) **Recommendation in paragraphs 13 (l) and 146** to consider the cost-effectiveness of introducing (i) an automated control mechanism for the data entered in IMIS by overriding the former amounts, and (ii) a mandatory field compelling users to enter the justification for any override before it can be validated.

Comment. The Administration informed the Board that due to other commitments, consultations between OHRM and OCSS/ITSD had not been initiated in 2002. It plans to undertake the consultation in the second quarter of 2003.

(uu) **Recommendation in paragraph 157** to implement additional login access controls, such as: (a) an automatic logoff feature in case IMIS is left unattended for a considerable length of time; (b) a warning message to unauthorized system users displayed upon requesting IMIS access; and (c) information on the last successful login displayed on the monitor upon validation of a valid access.

Comment. The Administration informed the Board that consultations will be held between OHRM and OCSS by the end of 2003.

(vv) **Recommendation in paragraph 164** that the Office of Programme Planning, Budget and Accounts, in coordination with the IMIS reports team, use the IMIS function to efficiently generate statements of account.

Comment. The Administration informed the Board that it is reviewing its options so as to optimally generate billing statements for accounts receivable, including a review of the Lotus Notes application recently developed and adopted by the United Nations Office at Vienna, instead of the Board's recommendation that the Office of Programme Planning, Budget and Accounts utilize IMIS functions to generate statements of account.

B. Report of the Board of Auditors on the expanded examination of the practices and procedures with regard to the handling of arbitration/claims cases by the United Nations Administration

16. The Board reported in March 2001 on the expanded examination of the practices and procedures with regard to the handling of arbitration/claims cases by the United Nations Administration, covering the period 1994 to 1997. The report on the expanded audit was included as annex III to the report of the Advisory Committee on Administrative and Budgetary Questions (A/55/829). In paragraph 9 of its report, the Advisory Committee requested that a comprehensive report on the results of the implementation of the Board's recommendations be submitted. The period of the audit and the submission of the above Board report fall within the scope of this reporting on the status of implementation of the Board's recommendations for the biennium 2000-2001. The Board followed up on the action taken by the Administration; verified status of implemented recommendations; and accordingly has included in the present report those recommendations under implementation and not implemented. Of the 12 recommendations, 11 had been implemented, and 1 was under implementation.

Recommendation on paragraph 24 that the Procurement Division advise offices away from Headquarters of the need to exercise caution in giving authorization for contractors to provide goods and services prior to the finalization of the contracts, to prevent the unintended creation of legal obligations.

Comment. The Office of Legal Affairs was, mid-2003, advising the Procurement Division on the revision of the Procurement Manual. The revised manual will provide offices away from Headquarters with practical guidance in a more comprehensive manner.

C. International Trade Centre UNCTAD/WTO[3]

Recommendation under implementation

17. The Board notes that action is ongoing by the International Trade Centre UNCTAD/WTO in respect of the following recommendations. The Board has included comments, where appropriate, and will keep these matters under review.

(a) **Recommendation in paragraph 9 (b)** that the International Trade Centre UNCTAD/WTO conduct its planned review of the outstanding requirements of its Corporate Management Information System (CMIS), determine a cost-efficient monitoring system and reach a formal decision on the two CMIS modules that were put on hold.

Comment. The Board is pleased to note that work is progressing to integrate IMIS data with CMIS and was to be completed by the end of the second quarter of 2003.

Recommendation not implemented

(b) **Recommendation in paragraph 28** that the International Trade Centre UNCTAD/WTO further streamline the management of its projects and particularly file and update summary financial progress report tables of amounts received and paid.

Comment. The International Trade Centre expects to implement the recommendation by the end of 2003.

D. United Nations University[4]

Recommendations under implementation

18. The Board notes that action is ongoing by the United Nations University in respect of the following recommendations. The Board has included comments, where appropriate, and will keep these matters under review.

(a) **Recommendation in paragraphs 10 (c) and 33** that UNU prepare the budget and record expenditures per project, per object of expenditure and accordingly enter the data in the Financial, Budgetary, and Personnel Management System (FBPMS); and enhance this System to allow it to reject obligations in excess of allotments at data entry.

Comment. The Board noted that negotiations with a consultant on the conversion of the FBPMS to a web-based tool are under way as confirmed in the April 2003 audit of UNU.

(b) **Recommendation in paragraphs 10 (d) and 37** that UNU initiate a system-wide policy to include the salaries of researchers in costing projects and the adoption of an allocation ratio in the event that a researcher works on several projects.

Comment. The Board noted that UNU is studying a number of specific prorating allocation methods.

(c) **Recommendation in paragraphs 10 (e) and 42** that UNU ensure that the research and training centres/programmes prepare their budgets in a manner that will allow the projects to accumulate expenditures by project and by object of

expenditure and utilize the capability of the Financial, Budgetary, and Personnel Management System for this purpose, and provide the academic staff with read-only access to the System with respect to the fund balances on their respective projects.

Comment. The Board noted that UNU's review of the structure of the FBPMS would be part of the enhancement of the System and its deployment as a web-based tool.

(d) **Recommendation in paragraphs 10 (f) and 45** that UNU review the standard number of projects that every academic officer should handle, taking into account the magnitude of each project to ensure that quality time and effort are devoted to individual projects during implementation and, in addition, to peer review of outputs, enhance quality control by monitoring data on book sales, book reviews and quotations through the UNU Press.

Comment. The Board noted that UNU would be proposing discussions on this issue in 2003.

(e) **Recommendation in paragraphs 10 (g) and 49** that UNU obtain a higher number of qualified applicants to improve its chances of getting the best fellows and, at the same time, obtain its targeted number and the required geographic representation within the available resources.

Comment. UNU has made improvements to the web site, which provides information on its capacity development programmes to increase the visibility of fellowship appointments.

E. United Nations Development Programme[5]

Recommendations under implementation

19. The Board notes that action is ongoing by the United Nations Development Programme (UNDP) in respect of the following recommendations and will keep these matters under review. The Board has included comments, where appropriate.

(a) **Recommendation in paragraphs 11 (b) and 35** that UNDP (i) review its headquarters non-expendable equipment inventory in a cost-effective manner to ensure that it provides realistic valuations in accordance with United Nations system accounting standards; (ii) closely monitor the annual country office inventory returns; and (iii) implement stricter measures to ensure that all returns are received on time.

Comment. UNDP continues to review the valuation of inventory to arrive at a more realistic non-expendable equipment inventory value in accordance with the United Nations system accounting standards. Follow-up with country offices commenced in September 2002.

(b) **Recommendation in paragraphs 11 (e) and 51** that UNDP continue efforts with regard to the lack of information provided by donors when paying contributions in order to further reduce the amount of unidentified receipts.

Comment. UNDP is in the process of implementing the recommendation by increasing the number of offices with direct Internet banking facilities and by establishing a post to concentrate on this issue. UNDP expects that all country offices are expected to have access by the end of 2003.

(c) **Recommendation in paragraphs 11 (g) and 62** that UNDP review, in conjunction with the United Nations and other funds and programmes, the funding mechanism and targets for end-of-service benefits to provide for the full estimated liability.

Comment. UNDP will participate in discussions with other organizations in 2003, and until a combined decision is made, it will continue to provide for annual accruals.

(d) **Recommendation in paragraphs 11 (h) and 83** that UNDP intensify efforts to complete the review of outstanding advances provided to Governments and non-governmental organizations and to provide for amounts considered doubtful or to write off all necessary amounts.

Comment. UNDP is reviewing the outstanding advances as part of the data clean-up exercise currently being undertaken in readiness for the new Enterprise Resource Planning (ERP) implementation scheduled for January 2004. In the light of the complexity of the outstanding balances, resulting from the length of time outstanding and the volume, UNDP estimates that the review and analysis process will take two to three years to complete.

(e) **Recommendation in paragraphs 11 (m) and 117** that UNDP create a comprehensive database to facilitate the implementation of a risk-based assessment model.

Comment. UNDP's Office of Audit and Performance Review will investigate the feasibility of including its assessment of country office monitoring activities in its database, as this will facilitate implementing a risk-based assessment model.

(f) **Recommendation in paragraphs 11 (n) and 127** that UNDP finalize the service-level agreements for services provided by UNDP to UNFPA and UNOPS as a matter of priority.

Comment. UNDP is in the final stages of negotiations with relevant United Nations organizations that would lead to the finalization of service-level agreements.

(g) **Recommendation in paragraphs 11 (o) and 147** that UNDP follow up on all trust funds in deficit positions with the view to recovering the overexpenditures. The Board further recommends that UNDP implement a system to monitor such overexpenditures on trust funds.

Comment. UNDP continues to follow up trust funds in deficit with a view to recovery. UNDP stated that once the planned ERP system is in place, it aims to be able to develop exception reports to highlight trust funds going into deficit in a timelier manner.

(h) **Recommendation in paragraphs 11 (p) and 154** that UNDP implement proper segregation of duties between investment functions.

Comment. UNDP has reallocated tasks between sections and has created a new post to be filled in 2003 to ensure adequate segregation of duties. The Board will assess the adequacy of the measures taken during the interim audit later this year.

(i) **Recommendation in paragraph 29** that UNDP expand disclosure of foreign currency transactions and other financial instruments used for hedging against currency fluctuations, and also consider incorporating in its disclosure

aspects regarding risks relating to foreign currency, as well as its financial risk-management objectives and policies.

Comment. UNDP agreed to implement the recommendation in the next set of financial statements and the Board will review this in its final audit in 2004.

(j) **Recommendation in paragraph 46** that UNDP review payroll bank reconciliations.

Comment. The payroll bank reconciliations have been prepared by United Nations Headquarters and UNDP is following up to ensure that copies of the reconciliations are received and reviewed.

(k) **Recommendation in paragraph 54** that UNDP ensure that all organizational units review unliquidated accounts on a monthly basis and provide the required certification of valid obligations in a timely manner, and follow up on any differences in unliquidated obligations reported by organizational units to make the necessary adjustments to the financial records.

Comment. UNDP is in the process of issuing guidelines to all certifying officers and will take action against those officers who fail to comply.

(l) **Recommendation in paragraph 69** that UNDP intensify efforts to clear the remaining long-outstanding differences with executing agencies and make the necessary adjustments to the records. Also, UNDP should follow up in a timely manner on any differences in the quarterly reconciliations and apply a consistent basis of comparison.

Comment. UNDP continues its efforts to clear the long-outstanding differences. Efforts included assigning full-time personnel and follow-up with agencies. Because some of the disputed items date as far back as the early 1990s, UNDP estimates that it will take about two to three years to ascertain the validity of the agencies' operating fund statements on outstanding balances.

(m) **Recommendation in paragraph 120** that UNDP (a) update the policy in line with the UNDP Programming Manual with regard to the funding of audit costs; (b) maintain data relating to audit costs for each project on the consolidated database; and (c) have country offices analyse the audit costs to determine whether the benefit of the audit of the project exceeds the cost and its relation to the project expenditure as well as risk assigned to the project.

Comment. UNDP maintained data as to the audit costs of each project and formulated a draft revision regarding the funding of audit costs which was in the process of being reviewed. Additional guidance was provided to country offices as to how to analyse the information related to the audit costs. The Board will continue to keep under review whether the country offices effectively analyse the audit costs in relation to the risks and project expenditure when deciding on future audits.

(n) **Recommendation in paragraph 129** that UNDP implement stricter time frames for the reimbursement of services delivered and that the outstanding reimbursements for the biennium 2000-2001 be made as soon as possible.

Comment. UNDP is in the process of implementing the recommendation (see also comment under recommendation 11 (n)).

(o) **Recommendation in paragraph 132** that UNDP intensify its efforts to conclude formal agreements with other United Nations agencies as soon as possible. It should also implement cost-recovery strategies to ensure recovery of the full cost

of all services rendered. In addition, the country offices should consider apportioning the cost of common services based on the activity rendered.

Comment. UNDP is in the process of circulating the draft revised approach to the parties concerned for comments.

(p) **Recommendation in paragraph 140** that UNDP intensify its efforts to finalize all outstanding activities of inactive trust funds and implement a formal system to track and monitor expiry dates and specific closure requirements included in trust fund agreements.

Comment. UNDP continues to make all efforts to close inactive trust funds. Once the planned ERP system is in place, UNDP expects to be able to track expiry dates and specific closure requirements.

(q) **Recommendation in paragraph 159** that UNDP ensure that the mechanism for evaluating supplier performance included in its Procurement Manual is optimally utilized by all units concerned with contracting.

Comment. UNDP implemented two steps of what it considered to be a three-step process, namely, developing a mechanism for evaluating supplier performance, which was incorporated in the new Procurement Manual, and to convey and train the procurement staff of UNDP on how to use this mechanism. The third step will be completed only once the ERP is in place by 1 January 2004.

(r) **Recommendation in paragraph 170** that UNDP revise its programme of work for internal audit to include an appropriate level of coverage on financial procedures and controls at headquarters.

Comment. UNDP plans to obtain internal audit coverage on financial procedures and controls at Headquarters during 2003.

(s) **Recommendation in paragraph 188** that UNDP address weaknesses in the general computer controls.

Comment. The personnel assigned to complete the assignment have been appointed and UNDP is in the process of developing standards and procedures.

(t) **Recommendation in paragraph 192** that UNDP develop a fraud-prevention plan, including fraud-awareness initiatives, in discussion with the Administration of the United Nations and the other funds and programmes to obtain the benefit of best practice, where available, in specific or all elements being considered.

Comment. UNDP indicates that a strategy has already been initiated, together with UNFPA and UNOPS, and is under development, and it expects to complete it in 2003.

Recommendations not implemented

(u) **Recommendation in paragraph 11 (f)** that UNDP regularly review a complete ageing of accounts receivable with the view to collecting long-outstanding amounts.

Comment. UNDP expects to provide an ageing analysis once the planned implementation of its new ERP system takes place in 2004.

(v) **Recommendation in paragraph 157** that UNDP establish benchmarks for performance for contract letting and monitor performance against these standards.

Comment. UNDP believes that its implementation of the ERP will have all the tools necessary to manage contract performance by January 2004.

F. United Nations Children's Fund[e]

Recommendations under implementation

20. The Board notes that action is ongoing by the United Nations Children's Fund (UNICEF) in respect of the following recommendations. The Board has included comments, where appropriate, and will keep these matters under review.

(a) **Recommendation in paragraphs 14 (a) and 23** that UNICEF, in conjunction with United Nations Headquarters, review the funding mechanism and targets for end-of-service liabilities, in line with other United Nations organizations.

Comment. UNICEF plans to establish a provision in 2003 and to review this matter when preparing the 2002-2003 financial statements.

(b) **Recommendation in paragraphs 14 (b) and 38, 42 and 44** that UNICEF manage more proactively its accounts receivable from donors, National Committees and staff.

Comment. The management of contributions has improved, and UNICEF plans to finalize its review of old contribution receivables by the end of 2003. A similar improvement has been noted for staff receivables. However, the number of personal advances outstanding for more than 24 months has been reduced by only 2 per cent between May 2002 and May 2003.

(c) **Recommendation in paragraphs 14 (c) and 60** that UNICEF disclose recovery charges as programme support and management and administration costs borne by other resources.

Comment. UNICEF has undertaken to find the best way to assure proper disclosure of all programme support and management and administration costs borne by other resources.

(d) **Recommendation in paragraphs 14 (d) and 64** that UNICEF, in consultation with other United Nations agencies, finalize without further delay the review of its policy on contributions in kind with a view to fully disclosing those used in the normal course of activities, and for which a fair value can be reasonably estimated.

Comment. UNICEF has drafted a new policy to be implemented only after December 2003. This recommendation had already been included in the Board's report for the biennium 1996-1997.

(e) **Recommendation in paragraphs 14 (e) and 95** that UNICEF consolidate summary performance indicators, at the regional and global levels, possibly through automatic data extraction from the UNICEF Programme Manager System.

Comment. This recommendation has been partly implemented for the 2002 Country Offices annual reports.

(f) **Recommendation in paragraphs 14 (f) and 113** that UNICEF take the opportunity of the triennial comprehensive policy review to consider the option of changing its Financial Regulations, as requested by the Advisory Committee, to the effect that cash advances do not become programme expenditure until the appropriate financial utilization reports have been received.

Comment. UNICEF is participating in the United Nations Development Group (UNDG) initiative on simplification and harmonization with UNDP, UNFPA and the World Food Programme (WFP). In particular, UNICEF is chairing a working group on resource transfer modalities. The accounting treatment for cash assistance will be reviewed in this context.

(g) **Recommendation in paragraphs 14 (h) and 150, 154, 163 and 165** that UNICEF adopt a consolidated treasury manual, review the opportunity to include external members in its Financial Advisory Committee and consider investing in a more diversified portfolio and using external fund managers.

Comment. New consolidated treasury guidelines were still being prepared, by June 2003.

(h) **Recommendation in paragraphs 14 (i) and 178** that UNICEF improve its information technology security by finalizing its corporate information security policy and, in consultation with other United Nations organizations, complete its disaster recovery plan as soon as possible.

Comment. Implementation is ongoing and further action will be defined in 2004.

(i) **Recommendation in paragraphs 14 (j) and 185** that UNICEF review and monitor more closely the appropriateness of the means of its Private Sector Division to reach its strategic targets, such as the recovery of sales proceeds and the development of fund-raising.

Comment. Under implementation.

(j) **Recommendation in paragraph 28** that UNICEF record differences in exchange rates in the financial period in which they arise, while terminating the present $20.9 million provision.

Comment. UNICEF is analysing how best to provide for exchange rate fluctuation risks in compliance with United Nations accounting standards.

(k) **Recommendation in paragraph 30** that the classification of convertible and non-convertible currencies should be revised, in consultation with other United Nations organizations.

Comment. The recommendation has not been implemented for the interim 2002 financial statements, but UNICEF plans to implement it for the biennial accounts. UNICEF has undertaken a survey of other United Nations organizations, which has revealed the absence of a standard policy on the classification of convertible and non-convertible currencies.

(l) **Recommendation in paragraph 32** that UNICEF record bank charges and fees under the heading "bank charges" in the general ledger.

Comment. UNICEF has announced that a budget line will be established for the biennium budget 2004-2005.

(m) **Recommendation in paragraph 35** that the pension calculation should be improved to further reduce discrepancies with the United Nations Joint Staff Pension Fund statements.

Comment. As at 31 December 2002, there were still discrepancies with the United Nations Joint Staff Pension Fund (UNJSPF). UNICEF is enhancing the quality of its information system, and states that by the end of 2003 the calculation of local staff pension contribution should be accurate. However, UNICEF had not yet received, by June 2003, reconciliation documents from UNJSPF for 2001 and 2002.

(n) **Recommendation in paragraph 49** that UNICEF consult with other United Nations entities to determine a common accounting treatment of Central Emergency Revolving Fund expenditures, and UNICEF agreed to do so.

Comment. UNICEF planned to complete its consultations with United Nations agencies by the second half of 2003.

(o) **Recommendation in paragraph 51** that UNICEF establish clear guidelines, within the operations emergency manual that is being drafted, to determine when EPF or CERF should be used, and UNICEF agreed to do so.

Comment. UNICEF plans to issue the new guidelines by July 2003.

(p) **Recommendation in paragraph 54** that UNICEF (a) review more thoroughly its unliquidated obligations at year's end, in compliance with the Financial Regulations; and (b) amend the reports to the donors where appropriate, and UNICEF agreed to do so.

Comment. The Board is pleased to note a 21.5 per cent decrease in the value of unliquidated obligations between 31 December 2001 and 31 December 2002, and a better quality of supporting documentation.

(q) **Recommendation in paragraph 56** that UNICEF (a) issue a consolidated field accounting manual and (b) evaluate the cost-effectiveness of having its Programme Management System documentation translated into languages widely used by its staff, and UNICEF agreed to do so.

Comment. Before the end of 2003, UNICEF is to begin the production of an Accounts Manual. Financial circulars issued since 2001 have been translated into French and Spanish.

(r) **Recommendation in paragraph 67** that UNICEF disclose all the non-expendable property under its custody, regardless of the source of funding, and expand the note on its policy regarding non-expendable property disclosure, and UNICEF agreed to do so.

Comment. UNICEF interim financial statements for 2002 disclose only non-expendable equipment funded from the support budget. UNICEF intends to disclose all non-expendable equipment under its custody after a review of the quality of the field offices' return on non-expendable equipment funded from the programme budget.

(s) **Recommendation in paragraph 78** that UNICEF compute and disclose the value of its in-kind contributions to the Global Alliance for Vaccines and Immunization and, when applicable, in other, similar cases.

Comment. The implementation is under way. UNICEF intends to disclose donations in kind.

(t) **Recommendation in paragraph 82** that UNICEF consult with other United Nations organizations regarding their standard procedures and establish a formal, standardized procedure for contribution pledge write-offs, so as to reflect the "full investigation" requirement and timing criteria, and UNICEF agreed to do so.

Comment. UNICEF has initiated consultations in order to issue a new internal procedure.

(u) **Recommendation in paragraph 89** that UNICEF undertake a review of the financial implementation rate in order to prevent a pattern of excessive concentration of expenditures during the last quarter, and UNICEF agreed to do so.

Comment. Monitoring tables have been established to review the pattern of disbursement. The analysis is ongoing.

(v) **Recommendation in paragraph 125** that UNICEF strengthen the analysis of patterns of disbursements by field offices as part of its oversight responsibility, and UNICEF agreed to do so.

Comment. See comment above on the recommendation in paragraph 89.

(w) **Recommendation in paragraph 128** that UNICEF collect information on the quality standards developed by other international institutions, and identify best practices, provide guidance to field offices and monitor the application of the guidance, and UNICEF agreed to do so.

Comment. The working group on resource transfer modalities within the UNDG initiative on simplification and harmonization with UNDP, UNFPA and WFP is reviewing the issue of the assessment of United Nations partners' financial systems.

(x) **Recommendation in paragraph 143** that UNICEF establish proper guidelines on outsourcing decisions and take action to ensure that outsourcing decisions are properly documented and compliant with United Nations regulations, and UNICEF agreed to do so.

Comment. The Supply Division has completed a review of commodity range procured by UNICEF within pharmaceuticals and micronutrients. Outsourcing decisions have currently been put on hold.

(y) **Recommendation in paragraph 146** (a) that UNICEF review the present rules, with a view to raising them to the most demanding standards on ethics, gifts and offers of hospitality; (b) that a declaration of existing interests be obtained from the professional staff of the Supply Division; and (c) that staff members be reminded of existing rules and regulations regarding interest in supplier companies.

Comment. Implementation is ongoing.

(z) **Recommendation in paragraph 172** that UNICEF improve its bank reconciliation procedures, and UNICEF agreed to do so.

Comment. The recommendation is under implementation.

(aa) **Recommendation in paragraph 187** that UNICEF pursue its efforts to sign the new cooperation agreements with all National Committees and sales partners by the end of 2002, and UNICEF agreed to do so.

Comment. Since January 2002, nine new cooperation agreements have been signed. The remaining seven should be signed before the end of 2003.

(bb) **Recommendation in paragraph 190** that UNICEF pay more attention to qualified opinions given by local external auditors and to obtaining the desirable improvements from the National Committees concerned.

Comment. Out of the 29 financial statements received for 2001, 3 had a qualified audit opinion. The Private Sector Division is following up on these qualified opinions.

(cc) **Recommendation in paragraph 192** that UNICEF pursue efforts to receive audited financial statements from every National Committee on time, so they can be of use, to the extent possible, for reconciliation with the final cash accounting report for the record of Private Sector Division revenue.

Comment. The Private Sector Division had received only 29 audited financial statements from the 37 National Committees by June 2003.

(dd) **Recommendation in paragraph 194** that UNICEF secure a quarterly remittance of sales proceeds from National Committees, and UNICEF agreed to do so.

Comment. The recommendation is under implementation.

(ee) **Recommendation in paragraph 198** that UNICEF strengthen its stock management procedures, which may include more precise forecasts and deliveries in order to reduce destruction costs, and UNICEF agreed to do so.

Comment. The rate of destruction of returned cards was still 17.6 per cent in 2002, i.e., 21.3 million greeting cards destroyed.

(ff) **Recommendation in paragraph 202** that UNICEF design standard, cost-effective procedures for the legal, operational, and financial review of fund-raising contracts, and UNICEF agreed to do so.

Comment. The development of a standard procedure for fund-raising contracts is still ongoing.

G. United Nations Relief and Works Agency for Palestine Refugees in the Near East

Recommendations under implementation

21. The Board notes that action is ongoing by the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) in respect of the following recommendations and will keep these matters under review. The Board has included comments, where appropriate.

(a) **Recommendation in paragraphs 11 (b) and 34** that UNRWA implement the asset module included in the newly acquired financial management system as a matter of urgency in order to rectify the deficiencies in the management and control of fixed assets. In addition, proper asset counts should form the basis of validating data in the asset module, and the assets should be properly stated in the financial statements and the notes thereto in terms of UNRWA's accounting policy.

Comment. UNRWA indicated that the implementation of the fixed asset module of the new financial management system is in progress.

(b) **Recommendation in paragraphs 11 (c) and 38** that UNRWA review unliquidated obligations on a regular basis to ensure validity of such obligations and to cancel obligations that are no longer required.

Comment. UNRWA informed the Board that obligations prior to the biennium 2000-2001 have been liquidated in accordance with UNRWA's financial regulations. The Board encourages UNRWA to formally and regularly review unliquidated obligations.

(c) **Recommendation in paragraphs 11 (d) and 41** that UNRWA strengthen its efforts to recover the outstanding tax reimbursement of $26.8 million and make further appeals to the relevant administrations to fully accept the tax-exempt status of the Agency.

Comment. UNRWA has received an amount of $2.6 million from one of the Administrations in March 2003. Negotiations are also in progress to obtain zero VAT rating on purchases over $1,000 for the West Bank from the Administration, as is the arrangement in Gaza. The Agency is continuing its efforts to recoup VAT arrears from relevant sources.

(d) **Recommendation in paragraphs 11 (h) and 103** that UNRWA's Audit and Inspection Department improve its quality assurance process and should conduct internal quality assurance reviews on a regular basis.

Comment. UNRWA informed the Board that the Audit and Inspection Department will further improve its quality assurance process by documenting and retaining appropriate evidence of supervision, including internal quality assurance on a regular basis.

(e) **Recommendation in paragraph 24** that UNRWA provide more details in the notes to the financial statements on capital acquisitions, disposals and write-offs made during the biennium to reflect movements from the opening to the closing balance; changes in accounting policy and restatement of prior-year amounts and risks relating to foreign currency and risk-management objectives.

Comment. While most changes have been made in the interim financial statements, UNRWA will make the appropriate disclosure, to the extent possible, in the financial statements for the biennium 2002-2003. The Board will review this during the final audit for the biennium 2002-2003 scheduled for the first quarter of 2004.

(f) **Recommendation in paragraph 26** that UNRWA improve its disclosure in the notes to the financial statements to adequately explain the prior-year adjustments.

Comment. UNRWA informed the Board that the disclosure will be reviewed and if necessary, appropriate disclosure will be made in the notes to the financial statements for the biennium 2002-2003.

(g) **Recommendation in paragraph 43** that UNRWA implement the accounts receivable module of the new software acquired in order to follow up receivable balances in a timely manner.

Comment. UNRWA indicated that the accounts receivable module has been implemented at headquarters in Gaza. The deployment of the module to other locations is in progress.

(h) **Recommendation in paragraph 45** that UNRWA take appropriate action to resolve the long-outstanding amounts.

Comment. UNRWA informed the Board that corrective action is being taken to resolve the outstanding balances. The amounts due from staff members have been reduced from $1.4 million to $0.97 million and miscellaneous receivables have been reduced from $2.7 million to $1.9 million as at 31 December 2002.

(i) **Recommendation in paragraph 78** that UNRWA extend the application of computer-assisted auditing techniques to increase the effectiveness and efficiency of the internal audits carried out at UNRWA offices.

Comment. UNRWA informed the Board that the Audit and Inspection Department obtained the ACL package for purposes of computer-assisted auditing techniques, and contracted with an external expert to conduct a training session for staff in December 2002. The Board will assess the extent to which such software is applied in future audits.

(j) **Recommendation in paragraph 90** that UNRWA's Audit and Inspection Department adequately review the audit working papers, in a timely manner and at the appropriate level, in compliance with the standards of the Institute of Internal Auditors. The Department also agreed to improve on the internal audit completion procedures as they relate to file reviews, completeness and follow-up.

Comment. UNRWA informed the Board that the Audit and Inspection Department will continue to improve its performance with respect to timely review of working papers and on the completion of procedures related to file review. The Board intends to follow up on this issue during its interim audit to be conducted in the last quarter of 2003.

(k) **Recommendation in paragraph 92** that UNRWA's Audit and Inspection Department should establish and enforce stricter time frames to improve and strengthen the processes of reporting and follow-up.

Comment. The Audit and Inspection Department has adopted an appropriate means to compare time spent on an audit against budgeted time for review and follow-up of variances and the Board will assess this in its next audit (see below, also comments in respect of the recommendation in paragraph 101).

(l) **Recommendation in paragraph 101** that UNRWA's Audit and Inspection Department should develop, implement and monitor detailed time sheets.

Comment. The Audit and Inspection Department has developed and implemented a system for detailed time sheets to be filled out by staff members within the Department. The Board will follow this up in the interim audit later this year.

(m) **Recommendation in paragraph 106** that UNRWA update the disaster recovery plan for all areas.

Comment. UNRWA informed the Board that the task is now initiated as a result of the recent recruitment of the newly established post of Head, Technical and Telecommunications Services Section, which was a result of the recently approved Information System Division restructuring.

(n) **Recommendation in paragraph 110** that UNRWA formally compile, document and approve programme change control procedures covering the entire

process, from the initial change request to the eventual migration of the change into the production environment.

Comment. UNRWA informed the Board that whenever possible, documentation of changes are compiled and filed. Approval of major changes or addenda to the contract are available in the contract files or the Steering Committee minutes. The comments provided by the Agency do not fully address the recommendation made and the issue will be followed up in the interim audit later this year.

(o) **Recommendation in paragraph 115** that UNRWA develop a formal systems development life-cycle methodology to govern the process of developing, acquiring, implementing and maintaining computerized information systems and related technology.

Comment. UNRWA informed the Board that the task will be undertaken upon recruiting the newly established post of Head, Applications Section, which was a result of the recently approved Information System Division restructuring. Recruitment is currently in progress.

(p) **Recommendation in paragraph 121** that UNRWA develop a fraud-prevention plan, including fraud-awareness initiatives. In developing the plan, UNRWA should discuss features of it with the United Nations and other funds and programmes to obtain the benefits of best practices, where available, in specific or all of the elements being considered.

Comment. UNRWA informed the Board that the Audit and Inspection Department is initiating an Agency-wide fraud-prevention initiative under the direction of the new Director of the Department. Additional measures have already been taken.

Recommendations not implemented

(q) **Recommendation in paragraphs 11 (a) and 30** that UNRWA review, in conjunction with United Nations Headquarters, the funding mechanism and targets for end-of-service liabilities in line with policies adopted by other United Nations organizations.

Comment. UNRWA informed the Board that inadequate funding precludes UNRWA from establishing specific reserves for this purpose. However, separation liabilities during a financial period are met from the existing resources. The Board recognizes that most United Nations organizations face similar difficulties, and encourages UNRWA to address this issue in a harmonized manner.

(r) **Recommendation in paragraphs 11 (e) and 53** that UNRWA review its policy on the pre-financing of donor-specified projects in view of the adverse effects it could have on the implementation of other projects and the impact on the cash flows of UNRWA.

Comment. UNRWA informed the Board that there is no written policy on pre-financing of donor-specified projects. In the interest of speedy implementation and quick receipt of project funds from a donor, there have been instances, on an ad hoc basis, where allotment of funds was advanced against a confirmed pledge to initiate project implementation. This practice has not adversely impacted on UNRWA's cash resources or implementation of other projects. Generally, before disbursements are made against project funds, such funds would have been received. However, it should be noted that some donors insist on conditioning their project funding on a

reimbursement basis. The Board remains of the view that activities financed through voluntary contributions should be undertaken only on the basis of guaranteed availability of funds.

(s) **Recommendation in paragraphs 11 (f) and 61** that UNRWA evaluate the headquarters operating costs with a view to further optimizing efficiency and effectiveness. This evaluation should cover both quantifiable aspects and non-quantifiable matters.

Comment. UNRWA informed the Board that the two headquarters locations are the result of a political decision and the current political circumstances make an early reversal of the decision unlikely. Conducting an evaluation to merge the locations at this stage would not be beneficial. The Board encourages UNRWA to continue, in the interim, to evaluate costs emanating from the present structures with the objective of optimizing efficiency and effectiveness.

H. United Nations Institute for Training and Research[8]

Recommendations under implementation

22. The Board notes that action is ongoing by the United Nations Institute for Training and Research (UNITAR) in respect of the following recommendations. The Board has included comments, where appropriate, and will keep these matters under review.

(a) **Recommendation in paragraph 12 (c)** that UNITAR address the discrepancy outlined by the General Assembly between the decline in contributions to the General Fund of the Institute and the increase in industrialized countries' participation in its programmes.

Comment. The UNITAR Board of Trustees has established a committee of six trustees to assist the Executive Director in fund-raising tasks, including the discrepancy between country contributions to the General Fund of the Institute and country participation in the programmes. The Board notes that UNITAR has launched a fund-raising campaign and encourages the Institute in its efforts to increase contributions.

(b) **Recommendation in paragraph 25** that UNITAR provide for separation costs for non-regular budget staff members entitled to international benefits, while reviewing, in conjunction with the United Nations and other funds and programmes, the funding mechanism and targets for after-service benefits to provide for the full estimated liability.

Comment. UNITAR intends to work with the United Nations Office at Geneva to set up a suitable system.

Recommendations not implemented

(c) **Recommendation in paragraph 20** that UNITAR continue to monitor the potential need for a Special-Purpose Grants Fund reserve and set up such a reserve in line with administrative instructions ST/AI/284 and ST/AI/285 as soon as warranted by the circumstances.

Comment. The Board takes note that UNITAR will continue to monitor the potential need for a reserve and will set one up if considered necessary, although doing so at the moment is considered detrimental to the smooth running of the

projects. The Board recommends that UNITAR further examine this issue with the United Nations Controller.

I. United Nations Environment Programme[9]

Recommendations under implementation

23. The Board notes that action is ongoing by the United Nations Environment Programme (UNEP) in respect of the following recommendations and will keep these matters under review. The Board has included comments, where appropriate.

(a) **Recommendation in paragraph 50** that the Administration should speed up the process of finalizing the agreement with the United Nations Office at Geneva for administrative, financial and information technology services.

Comment. UNEP and the United Nations Office at Nairobi stated that they are to hold discussions on the possibility of signing an agreement with the United Nations Office at Geneva.

(b) **Recommendation in paragraph 48** that UNEP take the initiative in bringing to the attention of the United Nations System Chief Executives Board the possibility of developing a framework to implement the environmental policies in the United Nations system.

Comment. The Administration commented that the Environment Management Group is the appropriate forum to address the purpose of enhancing United Nations system-wide inter-agency coordination; and that UNEP performs the secretariat function for the Group. UNEP was to bring the subject of the recommendation to the meeting of the Group in July 2003.

J. United Nations Population Fund[10]

Recommendations under implementation

24. The Board notes that action is ongoing by the United Nations Population Fund (UNFPA) in respect of the following recommendations and will keep these matters under review. The Board has included comments, where appropriate.

(a) **Recommendation in paragraphs 10 (a) and 33** that UNFPA review the funding mechanism and targets for end-of-service benefits, in conjunction with the United Nations and other funds and programmes.

Comment. UNFPA will participate in any inter-agency discussions on the matter.

(b) **Recommendation in paragraphs 10 (b) and 38** that given the fact that the advance in respect of field accommodation has remained outstanding for eight years, UNFPA should take immediate action to bring the matter to a conclusion.

Comment. UNFPA is addressing the matter and expects to resolve this issue in 2003.

(c) **Recommendation in paragraphs 10 (d) and 69** that UNFPA (i) ensure that standard terms of reference are agreed between the country office and governmental implementing partners as well as the auditor of nationally executed expenditures and that the audit scope and format is consistent; and (ii) compile a

mandatory checklist of the standard requirements to assist country offices in adhering to the requirements of the UNFPA Policies and Procedures Financial Manual.

Comment. UNFPA will develop a checklist of standard requirements to assist country offices to adhere to the requirements of the Finance Manual in 2003 and will continue to monitor whether standard terms of reference were agreed during the country office management audits.

(d) **Recommendation in paragraphs 10 (f) and 80** that UNFPA quantify the financial effect of audit qualifications made in respect of nationally executed expenditure to evaluate such qualifications against the action plans for reasonableness.

Comment. UNFPA has started to record in the database the reason for the audit qualifications with the 2001 audit exercise and will evaluate the qualifications against the action plans for reasonableness. This will continue to be done with the 2002 round of project audits.

(e) **Recommendation in paragraphs 10 (h) and 91** that UNFPA create a comprehensive database which would facilitate implementing a risk-based assessment model.

Comment. UNFPA followed a risk assessment approach in preparing the 2003 internal audit plan and a database has been created, which is expected to be refined in 2003.

(f) **Recommendation in paragraphs 10 (j) and 97** that UNFPA immediately conclude service-level agreements with UNDP to ensure that services and costs are defined and to enable UNFPA to be fully accountable for transactions incurred on its behalf.

Comment. UNFPA informed the Board that the process has already commenced, with a memorandum of understanding between UNDP and UNFPA on the general terms and conditions for the provision of services. Other draft memorandums of understanding are under review and are to be concluded in the last quarter of 2003. Proposals have been made for interim mechanisms to reimburse UNDP for services previously provided. The Board will continue to keep this matter under review.

(g) **Recommendation in paragraph 17** that UNFPA approach its Executive Board with a view to defining the range of financial assumptions on which the operational reserve should be based. Furthermore, UNFPA should clearly disclose the basis of computing the operational reserve in the notes to the financial statements.

Comment. UNFPA will disclose the methodology employed in a note to the financial statements for the biennium 2002-2003. In addition, the current method of calculation will be referred to the Executive Board at its September 2003 session as part of its review and approval of the annual financial review for 2002.

(h) **Recommendation in paragraph 21** that UNFPA make a provision for doubtful collection which should be appropriately disclosed in the financial statements and notes thereto.

Comment. For the 2002-2003 financial statements, UNFPA intends to review the outstanding pledges and make appropriate recommendations for write-offs where necessary. UNFPA intends to disclose the methodology employed in a corresponding

note. In addition, UNFPA will review all outstanding pledges on a periodic basis to make provision, as needed, for any pledges considered doubtful.

(i) **Recommendation in paragraph 23** that UNFPA disclose investments, in accordance with paragraph 48 (ii) of the United Nations system accounting standards, in the notes to the financial statements.

Comment. UNFPA will ensure that the disclosure of the value of investments in the financial statements is in accordance with paragraph 48 (ii) of the United Nations system accounting standards. The Board will assess the appropriateness of the disclosure in its final audit during the first half of 2004.

(j) **Recommendation in paragraph 25** that UNFPA avoid offsetting debit and credit balances in contravention of paragraph 46 of the accounting standards.

Comment. UNFPA will immediately discontinue the practice. This change in practice will be reflected in the 2002-2003 financial statements.

(k) **Recommendation in paragraph 29** that UNFPA perform regular reconciliations with UNDP records and follow up reconciling items.

Comment. UNFPA has established procedures and is in the process of verifying reconciling items for each account; and will eliminate discrepancies in time for the preparation of the 2002-2003 financial statements.

(l) **Recommendation in paragraph 35** that UNFPA take immediate measures to recover long-outstanding amounts of receivables from staff and consultants.

Comment. UNFPA will introduce procedures to clear the outstanding amounts by the end of the current biennium. The Board will continue to monitor the procedures implemented by UNFPA including changes resulting from the implementation of a new Enterprise Resources Planning System.

(m) **Recommendation in paragraph 43** that UNFPA account for all contributions received and should closely monitor trust fund income and expenditure to ensure that it does not obligate expenditure without having sufficient funds available.

Comment. UNFPA has instituted procedures to tighten operational control. Some of the recorded overexpenditures are due to accounting errors for which adjusting entries have been made. To gain full control and ensure accuracy and timeliness of income recording, UNFPA will be gaining Internet access to its bank accounts, in the future, using PeopleSoft after it is implemented in 2004.

(n) **Recommendation in paragraph 59** that UNFPA generate an age analysis to review outstanding advances of nationally executed expenditures with a view to ensuring accountability of implementing partners, taking into account future work plans.

Comment. UNFPA has begun to identify those balances that either appear to be excessive in terms of funding level or that have remained outstanding for several quarters. The concerned country offices and headquarters divisions were requested to review the balances and, if necessary, to take corrective actions. As a result, during 2001 and 2002, over 2,500 dormant advances have been cleared from the IMIS system. UNFPA expects to perform quarterly reviews and benchmarking against annual budgets commencing in 2003.

(o) **Recommendation in paragraph 61** that UNFPA include in its monitoring tools details of the appointment of auditors of nationally executed expenditure and to use such details to verify compliance with the Financial Manual.

Comment. UNFPA indicated to the Board that it will prepare specific procedures and criteria to guide the selection of nationally executed expenditure auditors during 2003.

(p) **Recommendation in paragraph 63** that UNFPA include in its directives on nationally executed expenditure, specific procedures and predetermined criteria to ensure that auditors of the required independence, integrity and technical competence are appointed and that compliance with those directives are monitored by the country office.

Comment. UNFPA is working on implementing the recommendation in 2003.

(q) **Recommendation in paragraph 72** that UNFPA devote special attention to those country offices that had not submitted audit plans in time, in future audit planning exercises, by requesting those country offices to commence with the planning exercise well in advance of the prescribed deadline. Also, UNFPA headquarters should intensify its follow-up action for country offices that have defaulted in adhering to requirements.

Comment. UNFPA informed the Board that it is following up and intensifying monitoring of country offices that did not submit the 2002 audit plans in a timely manner.

(r) **Recommendation in paragraph 89** that UNFPA adhere, as far as practical and feasible, to the mandatory project evaluation and monitoring procedures as prescribed in its directives. Furthermore, UNFPA headquarters should focus its attention on those projects that have not been subjected to audits of nationally executed expenditure as a means of obtaining adequate assurance, and should also record in the consolidated database details of compensating controls implemented in those country offices where assurance is low.

Comment. UNFPA informed the Board that it is in the process of implementing the Board's recommendation.

(s) **Recommendation in paragraph 99** that UNFPA ensure that, in concluding the service-level agreements with UNDP, such agreements would enable it to implement and review key controls, such as bank reconciliations.

Comment. UNFPA advised the Board that it is in the process of implementing the Board's recommendation.

(t) **Recommendation in paragraph 103** that UNFPA headquarters organizational units be tasked with the review and verification of all non-expendable equipment under their control. Furthermore, UNFPA should expedite the transfer of all remaining non-expendable equipment to the coding system.

Comment. UNFPA has tightened its controls at headquarters and the country offices with a view to making the data more timely and accurate and expects that the ERP's Asset Module will facilitate the process in January 2004.

(u) **Recommendation in paragraph 105** that in order to facilitate effective control over the receipt of all goods and services procured, all UNFPA country offices complete receipt and inspection reports within three weeks of the delivery of such goods or services and should forward such reports to the headquarters

procurement unit, as prescribed in terms of paragraph D.25 of the UNFPA Procurement Manual.

Comment. UNFPA informed the Board that it has taken steps to ensure that the reports are delivered within the required time period. The Board will review the effectiveness of the steps taken during the interim audit later this year.

(v) **Recommendation in paragraph 107** that UNFPA develop a process for formally recording and monitoring suppliers' performance.

Comment. UNFPA informed the Board that although progress has been made, efforts have been diverted into the implementation of the ERP which contains a vendor performance module, targeted for implementation from 1 January 2004.

(w) **Recommendation in paragraph 114** that UNFPA develop, implement and update on a regular basis a short- to long-term ICT strategic plan; establish, approve, implement and update on a regular basis a security policy; and compile documented computer program change control procedures.

Comment. UNFPA has made significant progress on implementing this recommendation and expects completion to coincide with the targets for the ERP implementation.

(x) **Recommendation in paragraph 118** that UNFPA develop a fraud prevention plan, including fraud awareness initiatives. In developing the plan, UNFPA should discuss features of it with the Department of Administration of the United Nations and other funds and programmes to obtain the benefit of best practice, where available, in specific or all of the elements being considered.

Comment. UNFPA informed the Board that a UNDP-UNFPA-UNOPS working group has been meeting regularly this year to develop a common fraud prevention strategy and plans to have a strategy in place by the end of 2003.

K. United Nations Human Settlements Programme (UN-Habitat)[11]

Recommendations under implementation

25. The Board notes that action is ongoing by the United Nations Human Settlements Programme (UN-Habitat) in respect of the following recommendations. The Board has included comments, where appropriate, and will keep the matter under review.

(a) **Recommendation in paragraphs 11 (a) and 28** that UN-Habitat financially close all operationally completed projects to ensure that only records of ongoing projects are kept and that pertinent expenditures are charged only to these project accounts; and restrict access to the senior officer to limit the risk of modification of closed projects.

Comment. The Board noted in its April 2003 audit of UN-Habitat that about 60 per cent of operationally closed projects had been closed as at 31 December 2002. The Board will keep this matter under review.

(b) **Recommendation in paragraphs 11 (b) and 31** that UN-Habitat ensure that complete records and project documentation are maintained for the projects for effective monitoring, evaluation, and financial and management reporting.

Comment. The Board noted in its April 2003 audit that UN-Habitat intends to complete the process of the overall review of the archiving system by end of June 2003. The Board will keep this matter under review.

(c) **Recommendation in paragraphs 11 (d) and 42** that UN-Habitat fast-track the housing programme to reduce the huge backlog in housing and basic infrastructure and services.

Comment. The Administration informed the Board that a three-year fast-track housing programme (2003-2005) is under implementation for a caseload of 13,000 families of internally displaced persons. However, due to the security and political situation in Iraq, discussions are in progress with the Authority (occupying powers under unified command) on modification of priorities and orderly handover of the programme to the Authority as mandated by Security Council resolution 1483 (2003).

Recommendations overtaken by events

(d) **Recommendation in paragraphs 11 (c) (i) and 37** that UN-Habitat establish banking services for the field office in northern Iraq to expedite the payment of salaries and entitlements, vendor accounts and operational expenses.

Comment. The Administration informed the Board that it has reviewed the alternative option of using banking facilities in Amman, Jordan, and has discarded it for operational reasons. Implementation of this recommendation is postponed until proper banking services are available in northern Iraq.

(e) **Recommendation in paragraph 19** that UN-Habitat disclose the reclassification of the 1998-1999 accounts in the notes to the financial statements, in compliance with the United Nations system accounting standards.

Comment. The Board will review the adequacy of the disclosures in the financial statements for the biennium 2002-2003.

L. United Nations Office on Drugs and Crime*[12]

Recommendations under implementation

26. The Board notes that action is ongoing by the United Nations Office on Drugs and Crime (UNODC) in respect of the following recommendations, which were addressed under the previous name, United Nations International Drug Control Programme (UNDCP). The Board has included comments, where appropriate, and will keep these matters under review.

(a) **Recommendation in paragraph 16** that UNDCP review its administrative and organizational structure to improve its cost-efficiency and effectiveness.

Comment. Following an in-depth review of the operational priorities of the Office, a revised organizational structure is to be promulgated by the end of 2003.

* Until 2002, known as United Nations International Drug Control Programme.

(b) **Recommendation in paragraph 20.** The Board reiterated its previous recommendation on the disclosure of after-service liabilities, and also recommended that UNDCP review, in conjunction with the United Nations and other funds and programmes, the funding mechanism and targets for end-of-service benefits to provide for the full estimated liability.

Comment. UNODC plans to proceed to an actuarial evaluation, if it has not been included in the one already carried out by the United Nations Secretariat, for adequate disclosure in the financial statements for 2002-2003.

(c) **Recommendation in paragraph 37** that UNDCP develop procedures for processing and monitoring obligations in compliance with paragraph 4 (iii) of the United Nations system accounting standards; finalize with UNDP an updated working arrangement with the aim of securing reliable reporting of all obligations in a timely fashion; and promptly terminate the present situation whereby costs are recognized only when payments are made.

Comment. UNODC was still, by May 2003, negotiating a new arrangement with UNDP, to address the issue of the reporting requirement of outstanding obligations.

(d) **Recommendation in paragraph 42** that UNDCP classify more rigorously its expenditures under the programme budget or the support budget, and UNDCP agreed.

Comment. The final budget for 2002-2003 was to reflect changes resulting from the new organizational structure as well as support activities set as priorities. UNODC plans to properly classify all core, ongoing posts in either a support budget or a new core programme budget separate from the programme budget, in the 2004-2005 budget.

(e) **Recommendation in paragraph 52** that UNDCP take drastic measures to bring unfunded projects to a manageable level, including, if need be, terminating some projects with poor funding prospects; be prudent in implementing the rule of starting a project when 50 per cent of funds are secure; and that UNDCP always monitor the launching and financing of new partially funded projects.

Comment. UNODC has undertaken significant efforts to reduce the level of projects with unfunded budgets.

(f) **Recommendation in paragraph 54** that UNDCP disclose fully its write-offs as at 2002, including those of field offices and headquarters, together with the value of its non-expendable property (note 17 to the financial statements).

Comment. UNODC indicates that inventory write-offs will be disclosed in an adequate manner from 2002 onwards.

(g) **Recommendation in paragraph 69** that UNDCP establish standard terms of reference with UNDP for the audit of nationally executed expenditure and ensure that the audit scope and the format of the audit report are consistent; UNDCP has already begun to implement the recommendations.

Comment. UNODC and UNDP have liaised to establish standard terms of reference for the audit of nationally executed expenditure.

(h) **Recommendation in paragraph 74** that UNDCP review the reasons for qualified opinions from local auditors in order to measure their exact financial impact and undertake appropriate action with the implementing partners; UNDCP agreed.

Comment. UNODC plans to take action when annual audit reports contain qualified opinions.

(i) **Recommendation in paragraph 76** that UNDCP request its field offices and UNDP to devote special attention to enforcing the yearly deadline for the submission of the audit report.

Comment. The Board will review the calendar for the submission of audit reports for 2002 in its next audit mission.

(j) **Recommendation in paragraph 84** that UNDCP maintain the two accounting systems in parallel operation for at least another six months until it has verified that the new system fully provides accurate data.

Comment. UNODC expected to discontinue the use of the financial information management system (FIMS) by end of June 2003.

Recommendation overtaken by events

(k) **Recommendation in paragraph 25** that accounting for income should be consistent with the funding policy of the Programme, based on pledges rather than on cash collections, and therefore that UNDCP revert to accrual accounting for all contributions.

Comment. The Director, Accounts Division, Office of Programme Planning, Budget and Accounts, has advised that UNODC will account for its technical cooperation contribution on a cash basis. The Board takes note of the decision, and of the fact that the decision is not in accordance with the overall trend towards accrual accounting.

M. United Nations Office for Project Services[13]

Recommendations under implementation

27. The Board notes that action is ongoing by the United Nations Office for Project Services (UNOPS) in respect of the following recommendations and will keep these matters under review. The Board has included comments, where appropriate.

(a) **Recommendation in paragraphs 11 (c) and 26** that UNOPS (i) continue to review its medium-term strategy in a comprehensive manner, including such elements as an analysis of the variables related to business from UNDP with a view to aligning its project delivery approach; and (ii) embark on a strategy to diversify further its client base within the United Nations system.

Comment. UNOPS has informed the Board that it continues its efforts to remain cost-effective and to concentrate its diversification strategy on specialized agencies of the United Nations system, given the long-term potential existing among them. This matter will be specifically reviewed by the Board in its interim audit later this year.

(b) **Recommendation in paragraphs 11 (d) and 32** that UNOPS evaluate the basis and calculation of the cost of services to ensure that all costs are identified and recovered and that the piloted system addresses all shortcomings identified in the Project Management Office workload system.

Comment. UNOPS will address the recommendations of a task force established to analyse and make proposals on the fee structure. UNOPS hopes to fully implement its new fee system in 2004.

(c) **Recommendation in paragraphs 11 (e) and 53** that UNOPS review in conjunction with the United Nations and its funds and programmes the funding mechanism and targets for end-of-service benefits. The Board considers that UNOPS may need to expedite its consideration of funding the end-of-service liabilities, given the unique funding principles of UNOPS.

Comment. UNOPS is in the process of implementing the recommendation.

(d) **Recommendation in paragraph 49** that, while the Board recognizes the efforts made by UNOPS to review unliquidated obligations, UNOPS should conduct more regular reviews of all unliquidated obligations in a timely manner.

Comment. UNOPS reviews unliquidated obligations systematically on a quarterly basis. The Board is aware that some much larger United Nations organizations review unliquidated obligations on a monthly basis. Therefore, the Board will evaluate the adequacy of the review procedures during the interim audit later this year.

(e) **Recommendation in paragraph 51** that UNOPS (a) compute the full costs incurred in respect of services to the International Fund for Agricultural Development (IFAD) to determine the feasibility of this service line; and (b) disclose the full IFAD costs in schedule 2 to the financial statements.

Comment. UNOPS identified the need to increase the fees charged to IFAD following the results of a detailed review of its cost of services for the IFAD programme to ascertain that its costs continue to be fully covered by the management fees received. UNOPS has notified IFAD senior management of the need to increase the fee although the matter has not yet been finalized.

(f) **Recommendation in paragraph 87** that the agreements between UNOPS and UNDP be finalized expeditiously, in order to regulate the functions of central services received from UNDP and should include the respective functions, responsibilities and cost structures between UNOPS and UNDP. Furthermore, the Board recommends that a service level agreement be concluded for human resources.

Comment. UNOPS is in the process of implementing the recommendation, particularly in the areas of human resource management, ICT and finance and administration.

(g) **Recommendation in paragraph 92** that UNOPS (a) compile a short- and long-term strategic plan for the deployment of ICT, which should be updated on a continuous basis; and (b) develop formally documented and approved procedures or guidelines on aspects such as security, disaster-recovery planning, back-ups and system development

Comment. UNOPS is in the process of implementing the recommendation through the ERP initiative.

Recommendation not implemented

(h) **Recommendation in paragraph 79** that UNOPS consider expanding the use of junior professional officers as a cost-effective mechanism, especially in these times of financial constraints.

Comment. UNOPS does not agree with this recommendation, and states that, in the long term, certain junior professional officer candidates are also recruited as staff. The Board will revisit this matter during the interim audit later this year.

N. International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994[14]

Recommendations under implementation

28. The Board notes that action is ongoing by the International Tribunal for Rwanda in respect of the following recommendations and will keep these matters under review. The Board has included comments, where appropriate.

(a) **Recommendation in paragraphs 11 (a) and 36** that the Tribunal be provided with copies of all agreements in respect of voluntary contributions to enable it to comply with the requirements of donors. Also, the Tribunal should keep proper record of all such agreements and monitor compliance with donor requirements.

Comment. The recommendation is under implementation.

(b) **Recommendation in paragraphs 11 (b) and 40** that the Tribunal develop and implement a completion strategy with a view to ensuring the attainment of its objectives in an efficient and effective manner.

Comment. Extensive discussions were conducted in April 2003, between the Registrars of the International Tribunal for the Former Yugoslavia and the Tribunal, followed by an exchange of ideas with their respective offices concerned during a two-day workshop held in April 2003. The Tribunal is studying the experience of the International Tribunal for the Former Yugoslavia and will adapt whatever is relevant to its own state of affairs. A concrete approach in this regard will be included in the 2004-2005 budget proposals.

(c) **Recommendation in paragraphs 11 (c) and 48** that the Tribunal (i) establish clear and quantitative criteria to determine whether a person qualifies for legal aid; (ii) formulate working definitions, for such terms as "indigence" and "sufficient means", including a determination of the financial threshold below which a person is regarded as indigent; and (iii) develop a formula to determine the contributions to be made by the persons who qualify for partial legal aid.

Comment. The Tribunal informed the Board that it had, on the basis of nine cases already completed, determined that the average cost for each trial amounted to $740,215. The Tribunal has adopted an amendment to the directive on assignment of defence counsel to enable the Registrar to request information on indigence of the accused person from Governments or institutions. The Board will continue to follow

up on this matter, particularly with regard to contributions to be made by persons who qualify for partial legal aid.

(d) **Recommendation in paragraphs 11 (d) and 52** that the Tribunal establish clear and enforceable working relationships with Member States, in which Member States will provide all reasonable assistance necessary to verify the financial position of the accused.

Comment. In order to strengthen and improve communications with Member States, the Tribunal has appointed a Chief of External Relations and Strategic Planning in the immediate Office of the Registrar. The Board encourages the Tribunal to establish the clear and enforceable relationships, using the newly appointed staff.

(e) **Recommendation in paragraphs 11 (f) and 64** that the Tribunal (i) consider the feasibility of using computer software that meets the needs of the Lawyers and Detention Facility Management Section (LDMFS) in reviewing the accounts of defence team members as well as the implementation of a matrix system for standard activities performed by counsel; (ii) conduct a thorough review of the human resource needs of the LDFMS to improve the quality of assessing the accounts of defence team members; and (iii) implement appropriate procedures to render illegal and effectively sanction overbilling, and fee-splitting practices by counsels.

Comment. The Tribunal will conduct a thorough research shortly in order to review and improve the current system software used to assess the accounts of the defence team. The Code of Conduct was amended during the last plenary session of the Judges, held at Arusha on 5 and 6 July 2002. Article 5 bis expressly prohibits fee-splitting between the accused and the defence team.

(f) **Recommendation in paragraph 30** that the Tribunal establish a time frame for completion and finalization of all asset records, enforce compliance with directives in this regard and implement procedures to maintain accurate information on the field assets control system.

Comment. The Tribunal informed the Board that all self-accounting units in coordination with the Property Control and Inventory Unit are in the process of migrating all the inventory data into the field assets control system for the year-end inventory period.

(g) **Recommendation in paragraph 77** that the Tribunal consider the redeployment of posts in order to eliminate the backlog of work and increase the efficiency of the Language and Conference Services Section.

Comment. The Tribunal is in the process of implementing this recommendation, which aims to secure more revisers, subject to the availability of posts at the appropriate level.

(h) **Recommendation in paragraph 90** that the Tribunal review and analyse the use of general temporary assistants and that those positions of a strategic nature should be budgeted for in a fixed-term contract.

Comment. The Tribunal is in the process of reviewing the necessity of posts.

(i) **Recommendation in paragraph 92** that the Tribunal conduct reference checks and interviews. Key posts should get priority treatment in deciding which applicants will be interviewed.

Comment. The recommendation has not been fully implemented and the Board will continue to keep the matter under review.

O. International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia[15]

Recommendations under implementation

29. The Board notes that action is ongoing by the International Tribunal for the Former Yugoslavia in respect of the following recommendation. The Board has included comments, where appropriate.

(a) **Recommendation in paragraph 23** that the Tribunal improve the monitoring of commitments and that an alternative solution be considered to Tribunal directive 1/94, articles 23 to 25, with a view to replacing the present hourly rate system for counsel with a lump-sum or flat-rate approach for legal aid payments.

(b) **Recommendation in paragraph 72** that the Tribunal lower the yearly and total amounts for legal aid as a preventive measure against potential fee-splitting as well as for cost-saving purposes.

Comment regarding recommendations 23 and 72. The Tribunal has implemented a new method for defence fees calculation. This method is based on an assessment of a lump-sum to be paid per trial phase. However, as it is not retroactive, the previous method of calculation still applies for cases that were ongoing in 2002.

(c) **Recommendation in paragraph 66** that the Tribunal clarify the criteria for the content of invoices and the evaluation of the reasonableness of the accounts of defence teams, and consider putting a per trial ceiling on legal aid.

Comment. The recommended policy to clarify the criteria for establishing counsels' invoices has not been formalized, due to the gradual introduction of the lump-sum fee system.

(d) **Recommendation in paragraph 25** that the Tribunal comply with the financial rules relating to the proper custody of non-expendable equipment and carry out regular physical checks on its assets, if need be in conjunction with other United Nations field teams.

Comment. The Tribunal's Property Control Unit has undertaken a full review of the inventory database and is in the process of performing a full physical inventory.

(e) **Recommendation in paragraph 29** that United Nations Headquarters and the Tribunal review their communication procedure in order to secure a coherent separation of tasks and reporting on the financial statements.

Comment. The additional work performed by the Tribunal for the closure of the accounts has been discontinued.

(f) **Recommendation in paragraph 43** that, while enforcing due process of law, the Tribunal: (a) amend its rules to exercise greater control over decisions affecting its budget and expenditure deriving from the proceedings; and

(b) implement strict rules regarding the number of witnesses summoned to The Hague and the hearing of their testimony.

Comment. The Registry had planned a reduction of witnesses travelling without being heard, but there has been no improvement in the rate of witnesses travelling without being heard, or in the length of their stay as of March 2003.

(g) **Recommendation in paragraph 56** that the Tribunal establish clear and enforceable working relationships with Member States to ensure that they provide all reasonable assistance necessary to verify the financial position of the accused.

Comment. The Tribunal reports recent positive developments in this area.

(h) **Recommendation in paragraph 78** that the Tribunal re-examine its translation policy and facilities with a view to reallocating priorities and being far more selective, choosing documents that are likely to be of use to the Court.

Comment. The Tribunal has established a documents control unit, which will control the flow of translation requests for documents to be translated and revised.

(i) **Recommendation in paragraph 88** that (a) the United Nations review in a coherent fashion the rules applying to United Nations officials drawing simultaneously United Nations salaries for active duty and United Nations pensions; and (b) the Tribunal take steps towards a prompt clarification to that effect.

Comment. This issue was submitted to the General Assembly by the Secretary-General in his report (A/C.5/57/36) of 12 March 2003.

(j) **Recommendation in paragraph 90** that the Tribunal introduce technical improvements in its computerized procurement and travel systems; management has agreed.

Comment. Most of the improvements have been implemented, and further improvements are under consideration.

Recommendations not implemented

(k) **Recommendation in paragraph 62** that the Tribunal designate at random the counsel to be paid by the Tribunal from a list of available lawyers established by the Registrar's office.

Comment. In one instance, in June 2002, the Registry tried to designate a defence counsel at random. The decision was cancelled by the Judges, considering that "the Registrar does not choose the counsel to the indigent accused but is only authorized to verify the financial status of the accused". The Registrar confirmed that discussions are ongoing within the Tribunal to try to implement the recommendation.

(l) **Recommendation in paragraph 27** that budgets and cost plans for trust funds be prepared on a sound and accurate basis, taking into account adequate support income; and **Recommendation in paragraph 86** that United Nations Headquarters provide full accountability, especially at the budgeting stage, to the Tribunal and similar institutions, on the support costs it charges.

Comment. In November 2002, the Budget Division provided information on programme support costs charged in support of the Tribunal's extrabudgetary activities. At the time of review of the 2004 cost plan for the OQA account, the Tribunal will be requesting the Budget Division in New York to provide up-to-date information on the status of the OQA account so as to allow for the preparation of

accurate cost plans taking into account programme support income earned to date minus programme support costs charged by New York. However, the rate for the distribution of support income between United Nations Headquarters and the Tribunal remains unclear.

P. United Nations Joint Staff Pension Fund[16]

Recommendations under implementation

30. The Board notes that action is ongoing by the United Nations Joint Staff Pension Fund (UNJSPF) in respect of the following recommendations. The Board has included comments, where appropriate, and will keep these matters under review.

(a) **Recommendation in paragraphs 10 (a) and 23** that, in order to comply with accrual principles, UNJSPF should (i) post the participating organizations' monthly instalments towards contributions as revenue (class 4) in its general ledger, and not directly as class 1 assets; (ii) adapt accordingly its accounting procedures; (iii) endeavour to obtain a better estimate of the level of the initial instalments; (iv) consider achieving in the longer term nearly real-time monthly data processing, after benchmarking against other funds' best practices.

Comment. Parts (i) and (ii) of the recommendation are to be implemented during fiscal year 2003 when an overall review of the accounting organization and procedures is undertaken. As regards (iii) and (iv), the Pension Board considers that member organizations would have considerable difficulty in providing accurate monthly contributions and that the reconciliation by the UNJSPF would be labour-intensive and costly. The Board of Auditors reiterates its recommendation on the above.

(b) **Recommendation in paragraphs 10 (c) and 30** that the UNJSPF (i) improve staffing and day-to-day supervision; and (ii) review its accounting organization.

Comment. The recommendation is under consideration, and the Fund plans to take action.

(c) **Recommendation in paragraphs 10 (e) and 87** that the UNJSPF complete, as a matter of urgency, the interface between the Lawson system and the PENSYS system, while accelerating for operations and the Investment Management Service alike the process of implementing a coherent ICT strategic plan and the procurement of a proper accounting system.

Comment. A study is to be delivered by January 2004, with a view to having a new accounting system in place by the end of 2004.

(d) **Recommendation in paragraph 26** that the UNJSPF act upon underpayments or late payments as soon as the reconciliation of contributions is completed.

Comment. The actions on underpayments or late payments will be part of the overall review of the accounting organization of UNJSPF in 2003.

(e) **Recommendation in paragraph 42** that the UNJSPF disclose in its report both "open group" and "actuarial evaluation, not considering any future member", or equivalent information in terms of "minimum benefit liability, result with pension adjustment".

Comment. The Fund will consider this recommendation in the context of the next actuarial valuation scheduled to be carried out as at 31 December 2003.

(f) **Recommendation in paragraph 58** that the UNJSPF establish a more proactive strategy, with asset management tools such as formalized target prices to be reported to the Investment Committee.

Comment. Under implementation. UNJSPF has yet to review whether each of its present performance benchmarks is coherent with its goals.

(g) **Recommendation in paragraph 65** that the UNJSPF (a) carry out day-to-day disbursements primarily by receiving contributions directly into the "operations" bank accounts, which are used for paying benefits; (b) establish cash-flow projections on a weekly, a monthly and an annual basis; (c) enact proper instructions for the cash account balances and the monitoring of currency purchases in new banking contracts, which the Fund agreed to for audit trail and management control purposes.

Comment. The recommendation will be implemented as soon as the Fund has concluded its new banking arrangement.

(h) **Recommendation in paragraph 80** that UNJSPF, in conjunction with participating organizations, ascertain that contributions are accounted for on accrual basis in the same fiscal year by both parties.

Comment. The recommendation will be implemented during the overall accounting review to be carried out in 2003.

(i) **Recommendation in paragraph 83** that the UNJSPF monitor more closely the monthly payments it receives against their likely level and proceed in a more timely fashion with the invoicing of late-payment charges.

Comment. This issue will be reviewed during the overall accounting review to be carried out in 2003.

(j) **Recommendation in paragraph 91** that the UNJSPF further review the difficulties in staffing Fund positions in information and communication technology and design and implement a long-term staffing strategy.

Comment. The long-term staffing strategy will be presented as part of the budget proposal for 2004-2005.

(k) **Recommendation in paragraph 97** that the UNJSPF create a permanent information and communication technology security officer function, develop a new security and disaster recovery plan, implement other relevant physical and logical security steps to ensure continuity of the business, and promptly improve the control of access to the server room.

Comment. The UNJSPF's efforts on ICT security are ongoing.

(l) **Recommendation in paragraph 101** that the UNJSPF increase the priority level of the development and staffing of its new information and communication technology security environment.

Comment. The staffing of its ICT security environment will be presented as part of UNJSPF budget proposal for 2004-2005.

Recommendations not implemented

(m) **Recommendation in paragraphs 10 (b) and 28** that the UNJSPF ensure that the accounting of expenditures are in compliance with United Nations system accounting standards, including those incurred jointly with another United Nations service.

Comment. The recommendation is under consideration.

(n) **Recommendation in paragraphs 10 (d) and 49** that the UNJSPF consider all assumptions over a reasonable period of time prior to deciding on adjustments to the level of contributions or benefits under constant resources.

Comment. The Fund indicates that it has no authority over the level of benefits or the rate of contributions, determined by the General Assembly following consultations with the Pension Board, and that the latter takes full account of the actuarial situation and of the views of the Committee of Actuaries, composed of independent outside experts.

(o) **Recommendation in paragraph 39** that the UNJSPF continue its efforts to recover outstanding tax reimbursements from Member States and further appeal to countries that have not yet done so to grant it tax-exempt status.

Comment. The Fund has not commented on its action on this recommendation.

(p) **Recommendation 67** that the Fund's Investment Management Service have specific guidelines on ethics and a compliance officer function.

Comment. The Fund's Investment Management Service informed the Board of its intention to take into account best practices, but has yet to take action.

V. Acknowledgement

31. The Board of Auditors wishes to express its appreciation for the cooperation and assistance extended by the Secretary-General, the executive heads of United Nations funds and programmes and the Chief Executive Officer of the United Nations Joint Staff Pension Fund, their officers and staff.

(*Signed*) François **Logerot**
First President of the Court of Accounts of France

(*Signed*) Guillermo N. **Carague**
Chairman, Commission on Audit
Philippines

(*Signed*) Shauket A. **Fakie**
Auditor-General
Republic of South Africa

27 June 2003

Note: The members of the Board of Auditors have signed only the original English version of the report of the Board.

Notes

[1] See *Official Records of the General Assembly, Fifty-seventh Session, Supplement No. 5* (A/57/5), vol. I and corrigendum (A/57/5/Corr.1), chap. I.

[2] Data not included in the statistics in annexes I and II to the present report.

[3] Ibid., *Supplement No. 5* (A/57/5), vol. III and corrigendum (A/57/5/Corr.2), chap. II.

[4] Ibid., *Supplement No. 5* (A/57/5), vol. IV and corrigendum (A/57/5/Corr.3), chap. II.

[5] Ibid., *Supplement No. 5A* and corrigendum (A/57/5/Add.1 and Corr.1), chap. II.

[6] Ibid., *Supplement No. 5B* and corrigendum (A/57/5/Add.2 and Corr.1), chap. II.

[7] Ibid., *Supplement No. 5C* and corrigendum (A/57/5/Add.3 and Corr.1), chap. II.

[8] Ibid., *Supplement No. 5D* and corrigendum (A/57/5/Add.4 and Corr.1), chap. II.

[9] Ibid., *Supplement No. 5F* and corrigendum (A/57/5/Add.6 and Corr.1), chap. II.

[10] Ibid., *Supplement No. 5G* and corrigendum (A/57/5/Add.7 and Corr.1), chap. II.

[11] Ibid., *Supplement No. 5H* and corrigendum (A/57/5/Add.8 and Corr.1), chap. II.

[12] Ibid., *Supplement No. 5I* and corrigendum (A/57/5/Add.9 and Corr.1), chap. II.

[13] Ibid., *Supplement No. 5J* and corrigenda (A/57/5/Add.10 and Corr.1 and 2), chap. II.

[14] Ibid., *Supplement No. 5K* and corrigenda (A/57/5/Add.11 and Corr.1-3), chap. II.

[15] Ibid., *Supplement No. 5L* and corrigendum (A/57/5/Add.12 and Corr.1), chap. II.

[16] Ibid., *Supplement No. 9* (A/57/9), annex XII.

Annex I

Status of implementation of the recommendations of the Board of Auditors for the biennium 2000-2001

	Organization	Total recommendations in report 2000-2001	Recommendations fully implemented		Recommendations under implementation		Recommendations overtaken by events		Recommendations not implemented	
			No.	Per cent	No.	Per cent	No.	Per cent	No.	Per cent
1	United Nations	67	20	30	43	64			4	6
2	ITC	5	3	60	1	20			1	20
3	UNU	7	2	29	5	71				
4	UNDP	46	24	52	20	43			2	4
5	UNICEF	40	8	24	32	76				
6	UNRWA	27	8	30	16	59			3	11
7	UNITAR	5	2	40	2	40			1	20
8	UNEP	10	8	80	2	20				
9	UNFPA	31	7	23	24	77				
10	UN-Habitat	8	3	38	2	25	3	38		
11	UNODC	14	3	21	10	71	1	7		
12	UNOPS	18	10	56	7	39			1	6
13	ICTY	17	4	24	10	59			3	18
14	ICTR	19	10	53	9	47				
15	UNJSPF[a]	21	3	14	11	52			7	33
	Total	**335**	**117**		**195**		**3**		**22**	
	Percentage	100		34		58		1		7
	1998-1999[b]	100		62		35		2		1
	1996-1997[c]	100		30		64		3		3

[a] Three with follow-up unreported (IMS), counted as not implemented.
[b] 208 recommendations.
[c] 156 recommendations.

Annex II

Comparative analysis of rates of implementation of the recommendations of the Board of Auditors for the biennium 1998-1999 and the biennium 2000-2001

(in percentage)

	Implemented		*Under implementation*		*Overtaken by events*		*Not implemented*	
Organization	*1998-1999*	*2000-2001*	*1998-1999*	*2000-2001*	*1998-1999*	*2000-2001*	*1998-1999*	*2000-2001*
United Nations	58	30	39	64	3	-	-	6
ITC	56	60	44	20	-	-	-	20
UNU	83	29	17	71	-	-	-	-
UNDP	52	52	41	43	7	-	4	4
UNICEF	58	24	42	76	-	-	-	-
UNRWA	45	30	55	59	-	-	11	11
UNITAR	73	40	27	40	-	-	-	20
UNEP	40	80	60	20	-	-	-	-
UNFPA	65	23	35	77	-	-	-	-
UN-Habitat	75	38	25	25	-	38	-	-
UNODC	71	21	21	71	7	7	-	
UNOPS	92	56	8	39	-	-	5	6
ICTY	100	24	-	59	-	-	-	18
ICTR	63	53	37	47	-	-	-	-
UNJSPF	70	14	20	52	-	-	10	33
Total	**62**	**34**	**35**	**58**	**2**	**1**	**1**	**7**